

## Schools Forum

6<sup>th</sup> October 2020

### Schools Budget Monitoring 2020/21

#### Introduction

1. This paper provides members of the Forum with the current projected outturn position on the Schools Budget based on information to the end of September 2020.

It is estimated that there will be a cumulative deficit of £5.737m by the end of this financial year. This includes the overspend b/fwd from 2019/20 of £4.424m therefore the additional deficit forecast in year is £1.313m.

Please note that the Schools Budget for 2020-21, as presented to Schools Forum on 21<sup>st</sup> January 2020, included a number of strategies in the current HN Deficit Recovery Plan and specifically intended to reduce the deficit in 2020-21 by £728k. Unfortunately, current circumstances in relation to Covid-19 have meant that £678k of these savings are unlikely to be achieved. These are described in more detail against the appropriate line number below.

#### School Budget

2. **Appendix 1** shows the revised budget against the projected outturn for 2020/21 on the Schools Budget as at 30<sup>th</sup> September, in the prescribed DfE Section 251 reporting format. The reasons for significant variances between planned and projected spend are: -
  - a. *Line 1.2.1 Top-up funding maintained schools* – £61k additional funding provided relating to one terms delay in implementing new staffing structure at Bishopton Centre due to Covid-19.
  - b. *Line 1.2.2 Top-up funding – academies, free schools and colleges*

Anticipated £295k overspend made up of:

- £130k projected savings identified in the HN deficit recovery plan relating to planned partnership working between special and mainstream schools for children with complex needs / physical disability are unlikely to materialise. Also, £50k of the £100k income target from improved joint commissioning / continuing care arrangements also specified in the recovery plan is unlikely to be achieved. These have been delayed because of the current position with Covid-19.

- £157k currently anticipated overspend on Post-16 top-ups for colleges based on placements for academic year 2019-20. This will be reviewed and may be subject to change once the academic year 2020-21 numbers are confirmed.

These overspends are offset by £42k additional HN Block funding from ESFA as a result of an update to the import/exports and unoccupied places.

- c. *Line 1.2.3 Top-up and other funding – non-maintained and independent providers* - Anticipated £776k overspend made up of:
- £498k projected savings identified in the HN deficit recovery plan relating to the reduction in growth of independent special school provision by creating ASD capacity in the Borough is not likely to materialise this year. Again, this has been delayed because of the current position with Covid-19.
  - Further agency placements have also resulted in additional costs of £188k.
  - £90k unbudgeted expenditure regarding 50% of the initial costs of Valuing SEND has been incurred this financial year.
- d. *1.2.5 SEN Support Services* - £12k overspend based on estimated costs for the Hearing Impaired and Visually Impaired support arrangement with Middlesbrough Council.
- e. *1.4.10 Pupil growth / Infant class sizes* - Estimated £40k overspend as Secondary School indicative admission numbers for September 2020 are higher than anticipated and will therefore trigger growth funding for the agreed expansions.
3. The 2020/21 budget was set with a planned in year deficit of £129k.
  4. The position on High Needs and the DSG Deficit Recovery Plan will be discussed at the next School Forum.
  5. Any surplus or deficit on the Schools Budget supported by Dedicated Schools Grant (DSG) is carried forward to the following financial year.

### **Recommendation**

6. That the Schools Forum note the current financial position on the schools budget.

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